

118TH CONGRESS
1ST SESSION

H. R. 4397

To amend the Internal Revenue Code of 1986 to deny tax deductions for certain settlements paid in connection with defamation.

IN THE HOUSE OF REPRESENTATIVES

JUNE 30, 2023

Mr. BOYLE of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to deny tax deductions for certain settlements paid in connection with defamation.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Taxpayer Bailout
5 for Defamation Act”.

6 **SEC. 2. DENIAL OF DEDUCTION FOR CERTAIN SETTLE-**
7 **MENTS PAID IN CONNECTION WITH DEFAMA-**
8 **TION.**

9 (a) DENIAL OF DEDUCTION.—Section 162 of the In-
10 ternal Revenue Code of 1986 is amended by redesignating

1 subsection (s) as subsection (t) and by inserting after sub-
2 section (r) the following new subsection:

3 “(s) CERTAIN PAYMENTS RELATED TO DEFAMA-
4 TION.—No deduction shall be allowed under this chapter
5 for—

6 “(1) any settlement or payment related to defa-
7 mation if the taxpayer has admitted to guilt or cul-
8 pability with respect to such settlement or payment,
9 or

10 “(2) attorney’s fees related to such settlement
11 or payment.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to payments in taxable years begin-
14 ning after December 31, 2022.

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